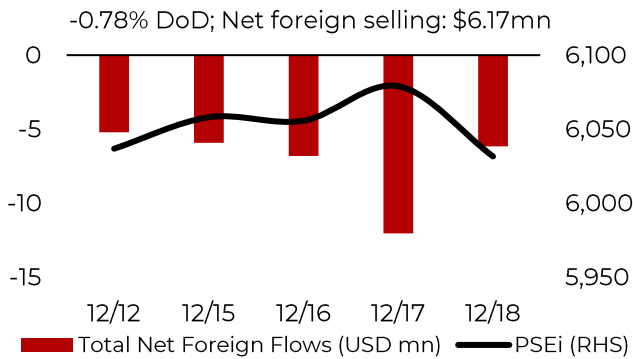


The Morning View

December 19, 2025

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,031.48	-0.78%
3-mo bond yield	4.84%	-0.39 bps
2-yr bond yield	5.30%	+1.41 bps
5-yr bond yield	5.70%	+0.63 bps
10-yr bond yield	6.03%	-1.83 bps
USDPHP	58.56	-0.29%
Oil (Brent, \$ / barrel)	59.82	+0.23%

Philippine lawmakers reconciled the disagreeing provisions of the proposed Php6.783-trillion national budget for 2026, which is set to be ratified and signed by President Marcos on December 29. The bicameral panel decided to cut the Department of Public Works and Highways' budget by Php20.7 billion, based on adjusted material costs. It also maintained the Php255 billion cut for flood control works.

LT Group, Inc.'s (PSE Ticker: LTG) subsidiary, Tanduary Distillers, Inc., entered a distribution partnership with Denmark-based Bastard Spirits to enter the Nordic market. This collaboration seeks to expand Tanduary's international presence, as the brand continues to position itself in regions where consumers are open to new rum experiences.

Local equities fell, local fixed income yields ended mixed, and the Philippine peso slightly strengthened ahead of the overnight release of the US Consumer Price Index (CPI) inflation print for November. Investors also took profits after the previous day's rally in the local bourse.

The PSEi closed at 6,031.48 (-0.78% DoD).

On average, yields fell by 0.08 bps, with the 2Y closing at 5.3% (+1.41 bps) and the 10Y closing at 6.03% (-1.83 bps).

The USD/PHP pair closed at 58.56 (-0.29% DoD).

The US consumer price index (CPI) rose 2.7% YoY in November (Sept.: +3.0%), the slowest annual pace since early 2021 and below the consensus estimate of 3.1%. Core CPI rose 2.6% (Sept.: +3.0%), cooler than the market expectation of 3.0%. Due to the 43-day government shutdown, the October report was cancelled and economists cautioned that the November print may be distorted by missing data.

US initial weekly jobless claims fell by 13,000 to a seasonally adjusted 224,000 for the period ending December 13, 2025, suggesting labor market conditions remained stable so far in December. The drop was a reversal of the previous week's upwardly revised 237,000 and slightly below the Bloomberg consensus estimate of 225,000.

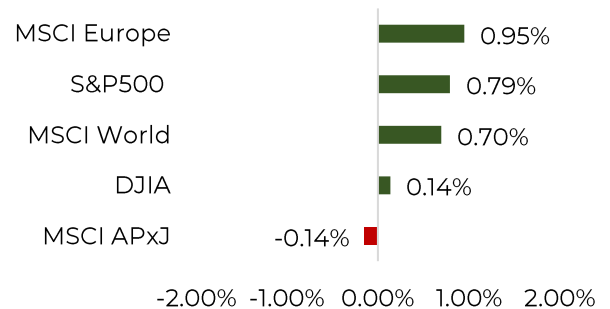
US equities rebounded and US Treasury yields declined after the softer-than-expected November US CPI inflation data raised hopes for Fed rate cuts next year. Meanwhile, the **US dollar** slightly strengthened as investors digested the lower-than-expected US initial jobless claims data and the Bank of England's policy rate cut.

The S&P 500 closed at 6,774.76 (+0.79% DoD), while the DJIA ended at 47,951.85 (+0.14% DoD).

On average, yields fell by 2.56 bps, with the 2Y closing at 3.46% (-2.30 bps) and the 10Y closing at 4.12% (-3.10 bps).

The DXY closed at 98.43 (+0.06% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,774.76	+0.79%
DJIA	47,951.85	+0.14%
3-mo US Treasury yield	3.61%	-1.60 bps
2-yr US Treasury yield	3.46%	-2.30 bps
5-yr US Treasury yield	3.66%	-3.70 bps
10-yr US Treasury yield	4.12%	-3.10 bps
DXY	98.43	+0.06%

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